

2010-2011 Budget Update

Presented To The City Council

June 30, 2009

PROJECTED GF REVENUES SUMMARY

	2009	2010	2011
Adopted Budget	208.0	213.2	219.0
Property tax		(1.5)	(1.4)
M&E	(0.5)	(2.2)	(1.5)
Sales Tax	(0.5)	(0.8)	(1.0)
Gas Tax	(2.2)	(2.2)	(2.0)
MVT	(0.4)	(0.7)	(0.7)
Interest	(1.5)	(1.2)	0.0
Other Adjustments	(0.4)	0.3	(1.2)
Revised Est.	202.5	204.9	211.0
% increase	2.3%	1.1%	3.2%



PROJECTED GF EXPENDITURES

	2009	2010	2011
Adopted Budget	208.0	213.5	222.8
Health Insurance	(2.4)		
Fuel	(0.9)		
Dept Reductions	(1.6)		
Pension Costs		3.6	3.5
Economic Dev		0.5	0.5
Other Adjustments	(0.6)	0.3	1.7
Revised Est.	202.5	217.9	228.5
% increase	2.3%	8.3%	5.7%



PRELIMINARY PROJECTED GF DEFICIT

	2009	2010	2011
Revised Revenues	202.2	204.9	211
Revised Expenditures	202.2	217.9	228.5
Projected deficit	0	(13.0)	(17.5)



RECOMMENDED ADJUSTMENTS

	2009	2010	2011
Revised Revenues	202.2	204.9	211
Transfer from Pension Reserve Fund		1.0	
Shift mill from Debt Service Fund		3.0	3.1
Stores Fund shift		1.0	1.0
	202.2	209.9	215.1
Revised Expenditures	202.2	217.9	228.5
GPA Assumption		(4.0)	(4.0)
Street Maintenance		3.0	3.0
Stores Fund shift		1.0	1.0
	202.2	217.9	228.5
Projected deficit	0	(8.0)	(13.4)

CORE SCENARIO RECOMMENDATIONS

City Manager's Office

- Eliminate 5 FTE and hold 1 FTE (\$393,200)
- Reduce indirect service costs (\$116,180)
- Reduce PT labor (\$120,000)
- Reduce cultural arts funding (\$130,000)

City Council

- Decrease support for international activities (\$29,981)



CORE SCENARIO RECOMMENDATIONS

Environmental Services

- Increase animal control and food handler permit fees (\$126,831)
- Transfer food, child care, and grease trap inspections to OCI (\$133,670)



CORE SCENARIO RECOMMENDATIONS

Finance

—Eliminate 1.75 FTE; hold 1 FTE (\$146,949)

Fire

—Establish a System Alarm Fee (\$1,769,481)

Human Resources

—Eliminate 0.5FTE and reduce other support expenses (\$62,370)



CORE SCENARIO RECOMMENDATIONS

Law

- Hold 1 FTE position (\$84,134)

Library

- Reduce materials purchases (\$84,030)
- Save through efficiencies (\$48,515)

Municipal Court

- Adjust criminal court fees (\$352,073)



CORE SCENARIO RECOMMENDATIONS

Non-Departmental

—Privatize printing (\$130,000)

OCI

—Save through efficiencies in lot maintenance and code enforcement (\$31,184)

—Eliminate 2 FTE by 2011 in OCI Fund



CORE SCENARIO RECOMMENDATIONS

Parks

- Outsource mowing and eliminate 66.5 FTE (\$1,014,864)
- Implement recreation center pilot project and eliminate 1 FTE (\$73,000)

Planning

- Eliminate 1 FTE and hold 2 FTE



CORE SCENARIO RECOMMENDATIONS

Police

- Reduce 11 FTE in field services (non-street level) (\$436,800)
- Reduce substation hours and 4 FTE (\$164,450)
- Reduce 5.5 FTE in support services staffing (\$403,330)
- Reduce 4 FTE (temporary assignments) in investigations (\$207,130)



CORE SCENARIO RECOMMENDATIONS

Public Works

- Reduce fuel costs (\$955,000)
- Hold 4 FTE (\$237,993)
- Implement solid waste registration fee (\$1,000,000)

Transit

- Reduce fuel costs (\$150,000)



CORE SCENARIO GF REVENUES

	2009	2010	2011
Revised Revenues	202.2	209.9	215.1
Alarm response fee		1.8	1.8
Solid waste licensing		1.0	1.0
Court fees		0.4	0.4
ES fees		<u>0.1</u>	<u>0.1</u>
		3.3	3.3
Core revenue est.	202.2	213.2	218.4



CORE SCENARIO GF EXPENDITURES

	2009	2010	2011
Revised Expenditures	202.2	217.9	228.5
Park mowing		(1.0)	(1.0)
Police non-field staffing		(1.3)	(1.3)
Transit fuel		(0.2)	(0.2)
Position savings		(1.0)	(1.0)
Fuel savings		(.9)	(1.3)
Other		(1.0)	(1.0)
Total Adjustments		(5.4)	(5.8)
	202.2	212.5	222.7



CORE SCENARIO GF SUMMARY

	2009	2010	2011
Revised Revenues	202.2	213.2	218.3
Revised Expenditures	202.2	212.5	222.7
Projected deficit	0	0.7	(4.4)



GF GROWTH COMPONENTS

	2009	2010	2011
Base Expenditures	202.2		
Health Insurance		1.5	1.7
Pension Costs		3.5	
Street Maintenance		3.0	
Stores Shift		1.0	
Economic Development		0.5	
Wage growth			7.3
All Other		0.8	1.2
Revised Expenditures		212.5	222.7



OTHER FUND ISSUES

- Reductions are recommended in other funds, including:
 - Water Utilities – eliminate 25 positions; hold open 14 more positions
 - Golf – eliminate 5 positions; increase seasonal staffing
 - OCI – eliminate 2 positions



ISSUE – ALARM SYSTEM FEE

- The proposed monthly alarm system registration fee can help offset some of the \$2.5 million annual cost associated with alarm system response from the fire department.
- A \$3 monthly registration fee for residential and \$9 for commercial will recapture \$1.75 million of the response cost.
- The revenue will allow 2009 fire service levels to continue in 2010.



ISSUE – ALARM SYSTEM FEE

Options:

- No Alarm System Registration Revenue or other funding adjustments:
 - One less Engine and 5 less Squads
- \$1 residential and \$3 commercial fee:
 - One less Engine and 2 less Squads or,
 - 5 less Squads
- \$2 residential and \$6 commercial fee:
 - 2 less Squads



ISSUE – SCHOOL RESOURCE OFFICERS

- Current budget includes 22 SRO's
- Cost are split 50% City and 50% USD 259
- USD 259 is facing budget reductions
- Eliminating 11 SRO positions would save the City and BOE around \$500,000 each



ISSUE – SCHOOL RESOURCE OFFICERS

- Elimination of SRO's would require beat team members to be more visible at the schools on their beats, as their schedules allow
- Services will be impacted at schools, including relationship-building efforts and neighborhood patrols surrounding the schools
- SRO's annually mentored over 7,100 students and participated in 1,311 classes on law enforcement topics



ISSUE – PARK MOWING

- 80 employees and seasonal staff currently mow approximately 6,000 acres
- Outsourcing model assumes current mowing standards, based on current contractual pricing
- Based on price assumptions, outsourcing would reduce costs by \$1 million annually
- City currently contracts for mowing at police sub-stations, Housing properties, OCHot cleanup, Storm Water



ISSUE – PARK MOWING

Proposed Changes:

- Would keep two maintenance crews and an irrigation crew to assist with non-mowing duties (13 staff)
- Temporary staff budget would be approximately 75% of 2008 expenditures (\$275,000)
- Equipment would be retained to mitigate substandard contractor work



ISSUE – PARK MOWING

- Proposed contractual arrangement would match seasonal workload with more flexible cost structure
- Additional resources would be available for winter work:
 - Temporary staff budget
 - 13 of the current 79 Mowing staff retained
 - Total of 67 other P&R employees (Forestry, Maintenance) to assist with winter operations



ISSUE – TRASH HAULER LICENSING

- Preserves the market approach; the market would set the rates
- Could require haulers to pay annual license fee
- Could require same level of service
- Could consider add-on services
 - Curbside recycling
 - Bulky waste program
 - Free service for City facilities
 - Free loads to transfer stations



OTHER REFUSE OPTIONS

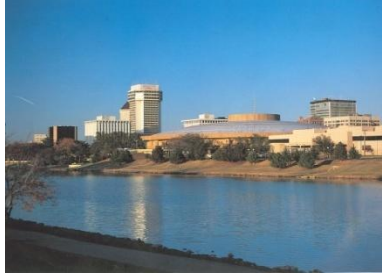
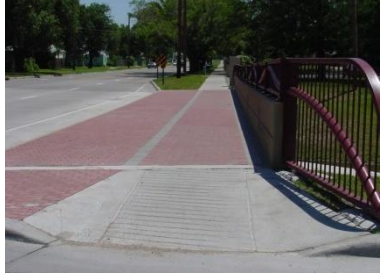
Franchise with one contractor

- Maximum rate control with uniform rates
- Desired outcomes (recycling, bulky waste, etc) could be required
- Potentially limits future bidders

Franchise with multiple contractors/districts

- Bid services in pre-defined section of the city
- May have different rates in each section
- Would allow more contractors to participate





Questions and Comments

June 30, 2009